

Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	CC Docket No. <u>99-273</u>
Provision of Directory Listing)	
Information Under the Telecommunications)	CC Docket No. 98-67
Act of 1934, As Amended)	

BellSouth Comments

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TABLE OF CONTENTS

	<u>PAGE</u>
I. Consideration of Telegate's Proposal in This Proceeding Is Inappropriate.	2
II. Telegate's Proposal Overlooks a Number of Substantial Policy Issues.	4
III. The Market for Directory Assistance Services is Already Competitive.....	6
IV. Presubscription to 411 for Noncarrier Directory Assistance Providers Would Foster Substantial Consumer Protection Concerns.	11
IV. Absent Any Attendant Benefits, The Costs of Telegate's Proposal Cannot Be Justified.....	15
VI. The Bureau's Generic Inquiry Regarding Presubscription of Other N11 Codes Should Be Withdrawn.....	17

SUMMARY

The Commission should reject Telegate's proposal that LECs be required to implement presubscription to 411 for noncarrier directory assistance providers.

The Bureau's *Public Notice* initiating this inquiry is too narrowly drawn for a reasoned decision-making. By focusing solely on the technical feasibility and economic viability of Telegate's proposal, the Public Notice overlooks the actual scope of Telegate's request. For example, as a noncarrier directory assistance provider, Telegate is an information service provider beyond the jurisdictional reach of this Commission or the states. Allowing presubscription to ISPs will only exacerbate consumer protection concerns that this Commission already faces with carrier presubscription, such as slamming.

Nor is Telegate's proposal warranted on the merits. Contrary to Telegate's claims, competition in the directory assistance services market is already flourishing. And, as is evident from interexchange carriers' success with their own unique dialing codes, as well as from Telegate's own experience in Germany where presubscription is not required, presubscription to 411 is not necessary to make that happen. Moreover, in the absence of any pro-competitive benefits and in the face of potential infringement on important consumer safeguards, the costs of Telegate's proposal simply cannot be justified.

Finally, the Bureau's inquiry into presubscription to other N11 codes, such as 711 for TRS, should be withdrawn. As with Telegate's proposal, the Bureau's inquiry presents a number of substantial policy issues beyond the mere technical feasibility and

economics viability of such arrangements. Such an inquiry warrants a more developed record than the *Public Notice* is structured to elicit.

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BellSouth Corporation ("BellSouth"), by counsel and on behalf of its affiliated companies, hereby files these Comments in response to the Common Carrier Bureau's ("Bureau") *Public Notice* in the above referenced proceeding.¹

In the *Public Notice*, the Bureau solicited input on the economic viability and technical feasibility of a proposal from Telegate, Inc. ("Telegate"), that the Commission require local exchange carriers ("LECs") to implement presubscription to the N11 code "411." The Bureau also expanded its inquiry beyond Telegate's proposal to request comment on the economic viability and technical feasibility of requiring LECs to implement presubscription to other N11 codes "in all pertinent proceedings," including "711" for Telecommunications Relay Service ("TRS").

For the reasons set forth herein, Telegate's proposal should be rejected and the Bureau's broader inquiry withdrawn.

¹ See *Common Carrier Bureau Seeks further comment on Telegate's Proposal for Presubscription to "411" Directory Assistance Services*, CC Docket Nos. 99-273 and 98-67, *Public Notice*, DA 00-930, released April 27, 2000 ("*Public Notice*").

I. Consideration of Telegate's Proposal in This Proceeding Is Inappropriate.

The Bureau's instant inquiry emanates from the Commission's *Notice of Proposed Rulemaking* in CC Docket No. 99-273,² which the Commission itself styled as "Provision of Directory Listing Information under the Telecommunications Act of 1934, as Amended." Consistent with that denomination of the nature and scope of this proceeding, the Commission in the *Notice* presented a number of specific questions addressing the existence or extent of any obligation of LECs under the Communications Act to make directory listing information available to directory assistance providers. Nothing in the *Notice* even hinted that the Commission might contemplate mandating presubscription to 411 or other N11 codes as an outgrowth of that proceeding.

With the exception of Telegate, parties responding to the *Notice* confined their comments to the Commission's questions regarding provision of directory listing information. Telegate, however, attempted to seize upon the Commission's general observation in the *Notice* "that the presence of [non-carrier] directory assistance providers benefits competition in the directory assistance market"³ to segue into its proposal that the Commission also impose a 411 presubscription requirement on LECs. Telegate's

² *Implementation of the Telecommunications Act of 1996, Telecommunications Carrier's Use of Customer Proprietary Network Information and Other Customer Information, Implementation of Local Competition Provisions of the Telecommunications Act of 1996, Provision of Directory Listing Information under the Telecommunications Act of 1934, as Amended*, CC Docket Nos. 96-115, 96-98 and 99-273, *Third Report and Order in CC Docket No. 96-115, Second Order on Reconsideration in CC Docket No. 96-98, and Notice of Proposed Rulemaking in CC Docket No. 99-273*, FCC 99-227, released June 14, 1999 ("Notice").

³ Telegate *Ex Parte*, dated March 10, 2000, p.2.

proposal was so far beyond the pale of the *Notice* that it is no wonder that no party responded to it. Indeed, the Commission would have been obligated to reject Telegate's proposal in this proceeding for lack of adequate notice of such a possible outcome. Telegate's proposal clearly and simply is not a logical outgrowth of the Commission's *Notice*.

The Bureau's instant request for comment also fails to cure that deficiency. By focussing solely on the economic viability and technical feasibility of Telegate's proposal, the Bureau appears either to have overlooked a number of substantial policy questions or assumed them already to be decided. Yet, an informed decision cannot be rendered on Telegate's proposal absent actual consideration of these policy matters.

Moreover, the Bureau itself does not have authority to act on Telegate's proposal. The Bureau cannot exercise delegated authority to act on "requests that present novel questions of fact, law or policy which cannot be resolved under outstanding precedents or guidelines."⁴ Thus, the Bureau's hands are tied in this proceeding. The Bureau can neither sidestep the important policy issues by excluding them from the scope of the inquiry, nor does the Bureau have delegated authority to decide those issues itself.

Furthermore, because of its narrow focus on economic and technical issues, the Bureau's *Public Notice* is also not structured to elicit input on important policy issues that would be critically necessary for the Commission to make an informed policy decision. A number of these policy issues are identified below. Because of the lack of an

⁴ 47 C.F.R. § 0.291(c)(3).

adequately structured notice to address issues such as these, however, the Commission cannot adopt Telegate's proposal.

II. Telegate's Proposal Overlooks a Number of Substantial Policy Issues.

Even on a cursory review of Telegate's proposal, one is struck by the number of substantial policy issues implicated by the proposal that have been left unaddressed. The Commission, however, does not have the luxury to ignore these matters.

For example, the Commission must recognize and acknowledge at the outset the scope of the request Telegate is making. As a noncarrier provider of directory assistance, Telegate, and others like it, are information service providers ("ISPs") beyond the jurisdictional reach of this Commission or the states. Consequently, in spite of the seemingly narrow focus of Telegate's proposal, the scope of its request goes well beyond the "directory assistance" market picture it paints and opens the Pandora's box of presubscription for all ISPs.⁵ Ultimately, that may be a policy question with which the Commission desires to contend, but it should do so only on the basis of an appropriately developed record following an appropriately structured notice. This proceeding on LECs' obligations with respect to providing directory listing information does not meet that need.

Telegate's proposal would also upset the long-standing jurisdictional balance between federal and state regulators with respect to directory assistance services. LECs historically have offered directory assistance services to end users under state tariffs. In most cases, these tariffs reflect the respective states' socio-economic philosophies

⁵ A number of consumer safeguard concerns arising from such an outcome are discussed in Section IV, *infra*.

regarding LECs' directory assistance obligations. For example, the rates and terms of LECs' directory assistance offerings often represent the efforts of the states to ensure availability of directory assistance at rates that balance consumers' interest in reasonable directory assistance rates against opportunities to utilize directory assistance revenues to keep other basic service rates low. Often the states dictate rates and terms and require LECs to offer a minimum number of calls per month to each customer at no charge. States similarly impose quality of service requirements addressing such issues as answer intervals and hold times. Requiring LECs to share the 411 code with other providers not subject to these constraints could cause significant disruption in these state regulatory schemes.

Moreover, because LECs in many states retain provider of last resort obligations for directory assistance, Telegate's proposal would create substantial disparities between carriers and noncarriers. As noncarriers became free to use the 411 code to offer robust services unconstrained by regulatory obligations, LECs could experience severe service shortfalls, further disrupting states' regulatory schemes. The Commission must exercise extreme caution before taking action that has such significant potential cross-jurisdictional effects.

Another difficult policy issue that Telegate's proposal implicates is that of the appropriate cost recovery mechanism. As addressed below, Telegate's cost estimates seem to be substantially understated. Regardless of the cost levels, it is by no means clear that LECs will be able to recover their costs through end user line charges, as Telegate appears to suggest. The Commission, however, must not adopt a rule requiring

LECs to incur such substantial costs without devising an appropriate cost recovery mechanism.

Yet another difficult policy issue with which the Commission would have to contend is the question of dial around compensation for directory assistance calls placed from payphones. As the Commission already has experienced, payphone owners that are entitled to compensation from their presubscribed interexchange carriers also lay claim to "dial around compensation" when a caller uses a different interexchange carrier. In spite of the Commission's substantial investment of time and other resources to establish an appropriate compensation structure, an acceptable solution has not yet been materialized. The Commission should expect no less of a compensation quagmire if payphone owners were similarly to presubscribe their sets to a preferred directory assistance provider or other ISP in return for agreed upon payment. Payphone owners are sure to claim entitlement to compensation if a caller "dials around" the presubscribed directory assistance provider to reach an alternative directory assistance provider.

The foregoing enumeration of policy questions and issues is not intended to be exhaustive, but only exemplary of the types of broad policy matters Telegate's proposal raises. The Commission must be prepared to address all of these concerns and should not take any action based solely on the economic or technological aspects of Telegate's proposal.

III. The Market for Directory Assistance Services is Already Competitive

The dual fallacies of Telegate's competitive analysis are its erroneous premise that the directory assistance market is not already competitive and its unsupported conclusion

that presubscription to 411 is necessary to make it so. As shown below, the facts simply do not bear out Telegate's contentions.

Competition in the directory assistance market is already flourishing and is doing so without presubscription. Indeed, consumers now have more choices for directory assistance than ever before. As Telegate acknowledges, for example, MCI/Worldcom and AT&T have launched competing national directory assistance services using their own nationally publicized unique dialing codes. The introduction of these competing directory assistance alternatives has been supported by multi-million dollar, multi-media advertising campaigns.⁶ This is in addition to the long-available 1-NPA-555-1212 national directory assistance service that interexchange carriers have been providing for years.⁷ Substantial competition also comes from newer sources such as competitive local exchange carriers who continue to win customers from incumbent carriers; wholesale directory assistance bureaus and independent call center agencies, such as TelTrust, Excel, Metro One, INFONXX, First Data, OSC, and CFW who offer local, national, and

⁶ Interexchange carriers' incentives to provide directory assistance services are fueled by the synergies of that service with completion of calls over their long distance networks. Thus, interexchange carriers naturally view directory assistance as an integral part of a bundle of services available to consumers on a one-stop shopping basis. The Bell Operating Companies ("BOCs"), who presently cannot provide competing long distance services, are already at a severe marketing disadvantage compared to these providers.

⁷ In spite of the interexchange carriers' cannibalization of these offerings through their own unique dialing arrangements as well as the emergence of other national directory assistance offerings, available data indicates that interexchange carriers still capture over 36% of the national directory assistance market through 1-NPA-555-1212 dialing by the interexchange carriers' presubscribed customers. First Market Research (1999). If the Commission were in this proceeding to sever directory assistance from the provision of local exchange service by a customer's chosen LEC, the same should be done to sever directory assistance from interexchange service by a customer's chosen interexchange carriers.

enhanced directory assistance to large businesses and other carriers; and Internet service providers, the most rapidly growing competitive alternative. Indeed, this Commission has only recently concluded that BOCs are but "*new entrant[s]*" in the market for nonlocal directory assistance service that face[] competition from AT&T and MCI as well as from Internet service providers, providers of payphone and cellular telephone services, and independent directory service providers, such as Metro One and INFONXX."⁸

Moreover, contrary to Telegate's unfounded assertion, these competing providers of directory assistance services have been quite successful and effective in migrating BOCs' traditional customers to their services. For example, BellSouth has experienced a 63% decline in local directory assistance call volumes since 1995. All this has occurred in the absence of presubscription, controverting Telegate's claims of the necessity of such arrangements.

In addition to this demonstrated lack of correlation between the 411 code and directory assistance competition, there is a similar lack of correlation between 411 presubscription and other purported consumer benefits cited by Telegate. For example, Telegate asserts that 411 is valuable to consumers because they know that when they are away from home they can dial 411 and obtain directory assistance. With 411 presubscription, however, when the customer is away from home, dialing 411 would connect the caller not to the caller's preferred directory assistance provider, but to whatever directory assistance provider or other ISP to which the calling line from which

⁸*In the Matter of Petition for US WEST Communications, Inc. for a Declaratory Ruling Regarding the Provision of National Directory Assistance*, CC Docket No. 97-172, *Petition of US WEST Communications, Inc. for Forbearance*, CC Docket No. 97-172, *The Use of N11 Codes and Other Abbreviated Dialing Arrangements*. CC Docket No. 92-105, *Memorandum Opinion and Order*, 14 FCC Rcd 16252, 16271 (1999).

the call originated was presubscribed. Consequently, the simple convention of dialing 411 to reach a reliable directory assistance service will ultimately become a shot in the dark for any caller who does not know to which ISP the line from which the call is placed is presubscribed. The customer confusion that is sure to follow from this result will thus undermine the value of 411 for consumers rather than maintain or enhance it.

Moreover, not only will such presubscription foster customer confusion, but it will also require all directory assistance providers to maintain a separate dial around number so that their customers can reach them when calling from locations other than their homes. The irony here is that, contrary to Telegate's implicit suggestion, presubscription will not eliminate the need for "dial around" arrangements for directory assistance providers to receive calls from customers wanting to reach them.

Further, once it is apparent that ISPs will still need to maintain a separate dial around number in any event, the question is begged of why any end user would have to be presubscribed to the directory assistance service provider or other ISP (much less presubscribed using the 411 dialing code) in order to reach the provider easily and quickly from the user's home. Indeed, any directory assistance provider that is able to attract customers on the basis of the price and quality of the provider's service does not need presubscription in order for the customer to have convenient dialing to them. Rather, the answer to the "problem" presented by Telegate is as simple as speed dialing. Hardly a telephone is sold these days that does not have the capability of storing multiple frequently dialed numbers. To the extent any ISP is able to attract regular or subscribed

customers, the customer need only store the provider's standard dial-up number on her telephone, and the ISP has its "presubscribed" customer.⁹

Indeed, this appears to be precisely the arrangement in Germany upon which Telegate relies. As Telegate concedes, consumers in Germany do not presubscribe to a preferred directory assistance provider. Instead, they select their directory assistance provider on a call-by-call basis by dialing the desired provider's unique dialing code.¹⁰ Customers satisfied with a particular provider can, in effect, presubscribe to that provider merely by storing that unique dialing code in a speed dial menu.

Telegate's rationale that sharing of the 411 code is necessary in this country to achieve a "level playing field" is a red herring. As a noncarrier, Telegate has substantial flexibility to offer a practically endless range of information services behind whatever unique dialing arrangement it uses. In contrast, as long as LECs use the 411 code, they are constrained only to provide services which historically have been viewed as traditional directory assistance services and that are "adjunct to basic" services under the Commission's rules. Thus, Telegate's attempt to portray its marketplace opportunities and those of the LECs as being equal, but for use of the 411 dialing code, is simply not an accurate comparison. The fact is, Telegate has the opportunity to utilize a dialing code unique to itself, just as other providers are doing and as is being done in Germany, and to offer innovative services behind that unique code that compete with LECs' limited

⁹ Additionally, because the end user can easily change the ISP to which his phone is programmed, or may even have multiple ISPs preprogrammed in a phone, the potential for consumer harm from slamming and similar abusive practices (discussed below) would be avoided.

¹⁰ Telegate *Ex Parte*, dated March 10, 2000, n.6.

directory assistance offerings. Presubscription to 411 simply is not necessary to afford Telegate that competitive opportunity.

IV. Presubscription to 411 for Noncarrier Directory Assistance Providers Would Foster Substantial Consumer Protection Concerns.

As noted above, Telegate is a noncarrier information service provider outside the regulatory purview of this Commission. As the Commission is well aware, even among carriers subject to both state and federal regulatory oversight, presubscription has fostered substantial abusive and fraudulent practices. Given the experience of this Commission and of the states with such practices by carriers who *are* subject to regulatory oversight, the Commission must be especially wary of facilitating such consumer abuses by entities over whom the Commission has no enforcement authority. BellSouth urges the Commission to exercise great caution before exposing consumers to increased opportunities for abuse through presubscription of 411 to noncarriers.

For many years now, slamming has generated more consumer complaints before this Commission and state regulators than has any other practice by carriers. Although the Commission has taken several substantial steps to curtail such behavior, it has not eliminated it entirely. Moreover, while the Commission's rules addressing slamming practices initially focused on interexchange carriers, the Commission subsequently found it necessary to bring CLECs and other carriers within the scope of its rules.¹¹ In other words, as more opportunities for presubscription or presubscription-like direction of calls

¹¹ See *Implementation of the Subscriber Carrier Selection Changes Provision of the Telecommunications Act of 1996; Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers*, CC Docket No. 94-129, *Second Report and Order and Further Notice of Proposed Rulemaking*, 14 FCC Rcd 1508, 1559-1560 (1998) ("*Second Report and Order*").

to multiple carriers have developed, so has the need for the Commission to exercise its authority to stem abusive practices by carriers desiring to receive those calls.¹²

If LECs were required to allow presubscription to N11 codes by noncarrier directory assistance providers or other ISPs, however, the tools available to the Commission to combat slamming abuses by such service providers would be substantially limited. The Commission has long made clear that ISPs are not regulated under Title II of the Communications Act. Accordingly, the Commission is virtually powerless to establish ground rules affecting the practices by which ISPs solicit and "subscribe" their customers. Nor are the rates of these providers subject to any "just and reasonable" standard. Similarly, the Commission has no enforcement power to curb or punish abusive practices. Consequently, consumers could find themselves unwittingly

¹² The significance of the Commission's oversight and enforcement authority in this context cannot be understated. In spite of the early recognition of slamming as a harmful, anti-competitive and anti-consumer practice, the Commission has found it necessary through several iterative steps to adopt and continue strengthening its rules against such behavior. Most recently, the Commission reaffirmed and strengthened its rules to reduce the illicit profit incentive for slamming carriers by absolving slammed consumers of certain unpaid charges by the slamming carrier and by requiring slamming carriers to disgorge 150% of moneys collected from slammed customers. *Implementation of the Subscriber Carrier Selection Changes Provisions of the Telecommunications Act of 1996*, CC Docket No. 94-129, *First Order on Reconsideration*, FCC 00-135, released May 3, 2000 ("*Recon Order*"). Similarly, the Commission has consistently shown its willingness to impose maximum fines and forfeitures against carriers found to be violating its anti-slamming rules. See *Second Report and Order* at 1511, n.9. Also, the Commission has recently fined or entered into consent decrees with Sprint (*Order*, DA 00-641, Mar. 27, 2000), Brittan Communications (*Order*, FCC 00-71, Mar. 2, 2000) and QWEST (*Notice of Apparent Liability for Forfeiture*, FCC 99-299, Oct. 19, 1999). As a result of these efforts, the number of consumer slamming complaints has finally begun to taper off. *Recon Order* at ¶ 4.

presubscribed to unscrupulous ISPs, with the expensive pursuit of judicial remedies as the only recourse available to them.¹³

The potential for such unrestrained slamming is of serious enough concern alone to warrant rejection of Telegate's proposal. However, Telegate's proposal also brings with it the specter of other increases in other consumer abuses, such as cramming. The Commission has described cramming as the practice of placing unauthorized, misleading, or deceptive charges on consumers' telephone bills. As with slamming, the Commission has adopted progressively stringent measures to curtail such abusive and fraudulent activities, including the Commission's most recent truth-in-billing initiatives. Notwithstanding these measures or other federal and state laws designed to ensure full disclosure of the nature and terms of pay-per-call and similar services,¹⁴ however, cramming continues to plague consumers and enforcement officials alike. The Commission should be extremely wary of exacerbating this phenomenon through

¹³ In fact, under Telegate's proposed ballot and allocation process for assigning customers to a "preferred" ISP, the foregoing effects would likely be felt immediately by hundreds of thousands, if not millions, of consumers. In all likelihood, many Americans would fail to make a ballot choice and consequently would be assigned to an ISP by default. For any given consumer, the assigned ISP may be one with whom the consumer has had no prior contact and about whom the customer knows nothing, including the nature or quality of service offered or the rates of such services. Customers may not even become aware of such a result until they are billed some time thereafter. At that point, however, the customer unknowingly may have already run up substantial charges to the ISP, effectively slammed by a process implemented by this Commission, but with no recourse through this Commission.

¹⁴ See *In the Matter of Policies and Rules Implementing the Telephone Disclosure and Dispute Resolution Act*, CC Docket No. 93-22, *Report and Order*, 8 FCC Rcd 6885, 6893 (1993) and the Telephone Disclosure and Dispute Resolution Act, Public Law 102-556, 106 Stat. 4181, approved Oct. 28, 1992.

mandatory presubscription to 411 service for noncarrier directory assistance providers or other ISPs.

Additionally, Telegate's proposal of presubscription to N11 codes would infringe upon the consumer protection safeguards embodied in the Commission's pay-per-call rules and policies. With only limited exceptions not readily applicable to Telegate or other ISPs, the Commission's present rules require interstate pay-per-call services to be provided only through telephone numbers beginning with the 900 service code.¹⁵ The Commission imposed this condition to ensure that pay-per-call numbers would be readily identifiable so that customers would know that the class of services accessible through that service code would incur a charge and so that ISPs providing pay-per-call services could not hide behind non-recognizable codes or rely on customer confusion. Telegate's proposal for ISPs to be able to provide pay per call services through N11 codes would breach this consumer safeguard.

Although the Commission's pay-per-call rules exclude from their scope services for which users are assessed charges pursuant to a "presubscription arrangement" with the provider of the service, Telegate's presubscription proposal does not fall within that exclusion. As used in the Commission's pay-per-call rules, "presubscription arrangement" refers to a preestablished relationship and payment agreement between a caller, who may be calling from any location, and the service provider. To ensure that the pay-per-call service is accessible only by those individuals with whom the service provider has a "presubscription arrangement," the Commission requires the service

¹⁵ 47 CFR § 64.1506.

provider to utilize personal PIN codes or other mechanisms to ensure that access to the service is restricted to authorized users.

In contrast, the "presubscription" to which Telegate refers is a network configuration arrangement based on a relationship between the subscriber to a particular telephone line and the subscriber's chosen directory assistance or other information service provider. This form of presubscription has nothing to do with the relationship between any given caller from that line and the service provider. In order to meet the exemption from the pay per call rules, Telegate and other ISPs would have to have "presubscription arrangements" with each *user* of their services, including utilization of appropriate PIN codes or other access mechanisms, not just with the subscriber to the telephone line from which the call is placed.

It is not clear from Telegate's proposal that it has contemplated such a result. Nevertheless, absent elimination of existing and important consumer safeguards in the pay per call rules, Telegate would be obligated to provide its pay per call services using a 900 service code or pursuant to user-specific presubscription agreements. Adoption of Telegate's proposal would not obviate this requirement.

In sum, Telegate's presubscription proposal raises substantial consumer protections concerns and conflicts with existing consumer safeguards. Accordingly, the Commission should reject the proposal.

IV. Absent Any Attendant Benefits, The Costs of Telegate's Proposal Cannot Be Justified

As noted above, competition is already robust in the directory assistance market. Competitors have a variety of means and dialing arrangements through which they may

participate in the directory assistance market and presubscription to 411 is not necessary for that purpose. Moreover, the notion of presubscription to noncarriers raises substantial consumer protection concerns. In the face of all this, the costs of Telegate's proposal cannot be justified.

Telegate's cost estimates appear materially understated in the first instance. Even for carriers like BellSouth that have invested substantially in SS7 and AIN technology, 411 presubscription would still require additional upfront network investment of several million dollars (initial estimates are of \$2.5 to \$3.5 million). For carriers that have not already invested in these technologies as heavily as BellSouth, the new network investment costs would be significantly higher. Moreover, the expense associated with the network investment of BellSouth alone is estimated to approach another \$1 million annually. These initial projections call into serious question Telegate's assumptions of only \$23 million for investment and \$7.1 million in annual expense for nationwide implementation of 411 presubscription.

Moreover, BellSouth's initial cost estimates do not include resources that would be consumed in the "non-network" implementation of Telegate's proposal. For example, additional systems development and personnel training costing potentially millions of dollars would have to be undertaken to mitigate the opportunities for consumer abuses that presubscription would engender, as noted above.

The magnitude of the costs of Telegate's proposal in comparison to its dubious benefits is also apparent in the balloting process Telegate has proposed. Depending on the structure a balloting process might take, including the number and extent of notices and solicitations to customers required, the form of the returned ballots, and the number

of respondents, the balloting costs for BellSouth alone are estimated in excess of \$45 million. Across the country, these balloting costs will easily reach hundreds of millions of dollars. These costs simply cannot be justified given the lack of any public benefit of directory assistance competition that cannot be attained through presently available and less costly means.

VI. The Bureau's Generic Inquiry Regarding Presubscription of Other N11 Codes Should Be Withdrawn.

In its *Public Notice*, the Bureau expanded upon Telegate's proposal to request comment on the economic viability and technical feasibility of requiring LECs to implement presubscription to other N11 codes "in all pertinent proceedings," including 711 for TRS. As the foregoing discussion of Telegate's proposal demonstrates, presubscription to N11 codes raises a number of substantial public policy issues beyond the mere technical feasibility and economic viability of such arrangements. Although the specific issues and concerns may differ if such presubscription were limited only to TRS providers, the instant proceeding is still too attenuated, and the Bureau's *Public Notice* too narrowly drawn, for all of those issues to be adequately developed and considered. Further, given the deficiencies of Telegate's proposal to which the Bureau's 711 inquiry was appended, there is no set of N11 presubscription coattails that the Bureau's proposal might ride. Accordingly, BellSouth respectfully urges the Bureau to withdraw its generic N11 presubscription inquiry from this proceeding.

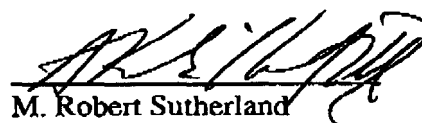
CONCLUSION

For the reasons set forth herein, BellSouth urges the Commission to reject Telegate's proposal for presubscription to 411 for noncarriers, and urges the Bureau to withdraw its inquiry into presubscription of other N11 codes.

Respectfully submitted,

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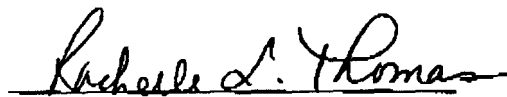
CERTIFICATE OF SERVICE

I do hereby certify that I have this 30th day of May, 2000, served the following parties to this action with a copy of the foregoing **BELLSOUTH COMMENTS**, reference CC Docket No. 99-237 and CC Docket No. 98-67, by hand delivery, or Federal Express, addressed to the parties as set forth below.

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****Via Hand Delivery***